2. *Amendment of section 3, Act XXIV of 1946.*—In section 3 of the Essential Supplies (Temporary Powers) Act, 1946,—

(*a*) in sub-section (*1*), for the words "notified order" the word "order" shall be substituted;

(*b*) after sub-section (*1*), the following sub-section shall be inserted, namely:—

"(*1A*) An order made under sub-section (*1*) shall,—

(*a*) in the case of an order of a general nature or affecting a class of persons, be notified in the Official Gazette; and

(*b*) in the case of an order affecting an individual person, be served on such person—

(*i*) by delivering or tendering it to that person, or

(*ii*) by affixing it on the outer door or some other conspicuous part of the premises in which that person lives."

3. *Repeal of Ordinance XXXI of 1950.*—(*1*) The Essential Supplies (Temporary Powers) Amendment Ordinance, 1950 (XXXI of 1950) is hereby repealed.

(*2*) Notwithstanding such repeal, anything done or any action taken in the exercise of any power conferred by or under the said Ordinance shall be deemed to have been done or taken in the exercise of the powers conferred by or under this Act, as if this Act were in force on the day on which such thing was done or action was taken.

(*3*) References in section 2 of this Act to any provision of the Essential Supplies (Temporary Powers) Act, 1946 (XXIV of 1946) shall be construed as references to that provision as in force immediately before the commencement of the said Ordinance.

STATEMENT OF OBJECTS AND REASONS

Power to make orders under section 3 of the Essential Supplies (Temporary Powers) Act, 1946, in respect of procurement of foodgrains, etc., has been delegated to the district magistrates and sub-divisional officers. These officers have to make countless orders under section 3 requiring stockholders individually to sell their stocks of foodgrains to specified persons. Under section 3 of the Act, such orders have to be published in the Official Gazette. The publication in the Official Gazette of the voluminous number of orders that may have to be made by these officers would naturally be cumbrous and inconvenient. Moreover, the object of the order is, in certain cases, likely to be delayed or defeated by the unavoidable loss of time involved in completing the formality of the publication of the order in the Official Gazette. The purpose of providing that an order under the Essential Supplies (Temporary Powers) Act should be notified in the Gazette is to give notice to the persons affected. In the case of orders which are to be served on individuals, it is enough if the individual affected is notified so that he may have an opportunity of complying with it or objecting against it. An Ordinance was, therefore, issued wherein it was provided that orders against individuals need not be published in the Official Gazette, though orders of a general nature will continue to be notified in the Gazette as before. The object of the present Bill is to convert the Ordinance into an Act of Parliament.

K. M. MUNSHI.

NEW DELHI;
The 1st December, 1950.

M. N. KAUL,
Secretary.

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PART IV

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Section—1-B.

ACTS OF PARLIAMENT AND ORDINANCES OF THE PRESIDENT WHICH APPLY TO MYSORE.

NOTIFICATION.

No. L. D. 3034—Legis. 2-50-52, dated Bangalore, 5th January 1951.

Ordered that the following Supply and Prices of Goods Act, 1950 (LXX of 1950), published in the *Gazette of India*, Part II, Section 1, dated the 23rd December 1950, be republished in the *Mysore Gazette*, for general information.

By Order of His Highness the Maharaja,

B. S. PUTTASWAMY,
Legal Remembrancer and
Secretary to Government,
Law Department.

GOVERNMENT OF INDIA

MINISTRY OF LAW

Received Assent on 23rd December 1950

THE SUPPLY AND PRICES OF GOODS ACT, 1950

(LXX OF 1950)

AN

ACT

to provide, in pursuance of a resolution under article 249 of the Constitution, for the control of prices of certain goods, and the supply and distribution thereof.

BE it enacted by Parliament as follows:—

1. *Short title and extent.*—(*1*) This Act may be called the Supply and Prices of Goods Act, 1950.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

2. *Definitions.*—(1) In this Act, unless the context otherwise requires,—

(a) "dealer" means a person carrying on the business of selling any goods, whether wholesale or retail;

(b) "goods" means goods to which this Act applies;

(c) "notified order" means an order notified in the Official Gazette;

(d) "offer for sale" includes an intimation by a person of the price proposed by him for a sale of any goods made by the publication of a price list, by exposing his goods for sale in association with a mark indicating price, by the furnishing of a quotation or otherwise howsoever;

(e) "prescribed" means prescribed by rules made under this Act;

(f) "producer" includes a manufacturer:

(2) A person shall be deemed to be in possession of goods—

(i) when they are held on behalf of that by another person;

(ii) notwithstanding that they are mortgaged to another person.

3. *Goods to which this Act applies.*—Subject to the other provisions contained herein, this Act applies to the goods specified in the Schedule and to such other goods as the Central Government may, by notified order, specify in this behalf.

4. *Fixing of maximum prices and maximum quantities which may be held or sold.*—(1) The Central Government may, by notified order, fix in respect of any goods—

(a) the maximum price or rate which may be charged by a dealer or producer;

(b) the maximum quantity which may at any one time be possessed by a dealer or producer;

(c) the maximum quantity which may in one transaction be sold to any person.

(2) Any such order may—

(a) fix maximum prices or rates and maximum quantities for the same description of goods differently in different localities or for different classes of dealers or producers;

(b) instead of specifying the maximum price or rate to be charged, direct that that price or rate shall be computed in such manner and by reference to such matters as may be provided by the order.

5. *Restrictions on possession and sale by dealers and producers where maximum is fixed under section 4.*—(1) No dealer or producer shall—

(a) sell or agree to sell or offer for sale to any person any goods for a price or at a rate exceeding the maximum fixed under clause (a) of sub-section (1) of section 4;

(b) have in his possession at any one time a quantity of any goods exceeding the maximum fixed under clause (b) of sub-section (1) of section 4, unless he has reported the fact of such possession to the Central Government or to the officer appointed in that behalf as required by section 7; or

(*c*) sell or agree to sell or offer for sale to any person in any one transaction a quantity of any goods exceeding the maximum fixed under clause (*c*) of sub-section (*1*) of section 4.

(*2*) Where any goods are sold, agreed to be sold or offered for sale in contravention of sub-section (*1*) by a dealer or producer through any person employed by him or acting on his behalf, such person and also, unless he proves that he exercised due diligence to prevent such contravention, the dealer or producer, as the case may be, shall be liable to the punishment provided by sub-section (*1*) of section 14.

(*3*) Where a dealer or producer disposes of any goods by having them sold by auction on his behalf, the auctioneer, as well as the dealer or producer, shall be liable to the punishment provided by sub-section (*1*) of section 14, if in any such sale there is a contravention of clause (*c*) of sub-section (*1*).

6. *General limitation of quantity which may be possessed at any one time.*—(*1*) No person shall have in his possession at any one time a greater quantity of any goods to which this section applies than the quantity necessary for the reasonable needs of himself and his family for the prescribed period, unless he has reported the fact of such possession to the Central Government or to the officer appointed in that behalf as required by section 7:

Provided that nothing contained in this sub-section shall apply—

(*a*) to a dealer in respect of any goods sold or purchased by him in the course of his business, or

(*b*) to a producer in respect of any goods produced by him.

(*2*) For the purposes of this section, the Central Government may prescribe the circumstances and matters which shall be taken into account in determining the reasonable needs of any person, and may prescribe different periods for different areas or for different classes of goods.

(*3*) Notwithstanding anything contained in section 3, this section shall apply only to such goods as the Central Government may, by notified order, specify in this behalf.

7. *Duty to declare possession of excess stocks.*—Any person having in his possession a quantity of any goods exceeding that permitted by or under this Act shall forthwith report the fact to the Central Government or to any officer appointed by it in this behalf and shall take such action as to the storage, distribution or disposal of the excess quantity as may be prescribed or as the Central Government or such officer may direct.

8. *Holding of stocks.*—(*1*) If any dealer has in his possession in the course of his business a stock of any goods and the said dealer or any person employed by him to sell goods in the course of his business, when asked by any other person (hereafter in this section referred to as "the buyer") to sell goods of that description or whether he or his employer has such goods for sale—

(*i*) refuses to sell the goods, or denies that he or his employer has the goods, or by words or conduct intentionally causes the buyer to believe that he or his employer has not got the goods or will not or cannot sell them, or

(*ii*) offers to sell the goods subject to a condition requiring the buying of any other goods or subject to any other conditions except the condition that the buyer shall pay the price forthwith or take delivery within a reasonable time,

the dealer carrying on the business shall be guilty of an offence under this Act.

(*2*) It shall be a defence for a person charged with any such offence to prove that the sale of the goods or the sale thereof without the fulfilment of the condition proposed by him, would, having regard to the quantity of goods which he or that person was requested to sell or any other consideration—

(*a*) be contrary to the normal practice of his business ; or

(*b*) involve a breach of some obligation lawfully binding on him ; or

(*c*) interfere with arrangements made by him for an orderly disposal of his stock among his regular customers.

9. *Cash memorandum to be given of certain sales.*—(*1*) Every dealer or producer, when selling goods for cash shall, if the amount of the purchase is rupees ten or more, in all cases, and if the amount of the purchase is less than rupees ten, when so required by the purchaser, give to the purchaser a cash memorandum containing particulars of the transaction.

(*2*) The Central Government may prescribe the particulars to be contained in any such cash memorandum.

(*3*) Notwithstanding anything contained in section 3, this section shall apply to all goods, whether they are goods to which this Act applies within the meaning of that section or not, but the Central Government may, by notified order, exempt specified areas, classes of dealers or producers or classes of goods from the operation of this section.

10. *Making of prices and exhibiting price lists and stocks.*—(*1*) The Central Government may direct dealers or producers in general, or any dealer or producer or class of dealers or producers in particular, to mark goods exposed or intended for sale with the sale prices or to exhibit at some easily accessible place on the premises price lists of goods held for sale and also to similarly exhibit on the first day of every month, or at such other intervals as may be prescribed, a statement of the total quantities of any such goods held in stock, and may further give directions as to the manner in which any such direction as aforesaid is to be carried out.

(*2*) No dealer shall destroy or efface, or alter or cause to be destroyed, effaced or altered, any label or mark affixed—

(*a*) to any goods in pursuance of a direction under sub-section (*1*) or

(*b*) to any goods and indicating the price marked by a producer.

(*3*) Notwithstanding anything contained in section 3, the Central Government may, by notified order, declare that the provisions of this section shall also apply to any goods other than those to which this Act applies within the meaning of that section.

11. *Obligation to state prices separately on composite offer.*—Where a dealer or producer makes an offer to enter into a transaction for a consideration to be given as a whole in respect of both of a sale of any goods and of some other matter, the dealer or producer making the offer shall state

in writing the price which he assigns to the goods, if he is required so to do by any person to whom the offer is made, and the offer shall be deemed for the purposes of this Act, to be an offer to sell the goods at the price so stated.

12. *Prohibition of closure of shops.*—No dealer in any goods shall keep his shop closed with the intention of avoiding the regular sale of such goods and thereby obtaining a higher price for the goods at a later date.

13. *Power to regulate production and distribution of goods.*—The Central Government may, by general or special order,—

(*a*) prohibit the disposal of any goods except in such circumstances and under such conditions as may be specified in the order;

(*b*) direct the sale of the whole or a specified part of the stock of any goods at such prices and to such persons or class of persons or in such circumstances as may be specified in the order;

(*c*) regulate by licences, permits or otherwise the production, supply, storage, transport or distribution of any goods or the use of any goods in any industry.

14. *Penalties.*—(*1*) Any person who contravenes any of the provisions of this Act, or of any orders or rules made thereunder, shall, if no other punishment is specified therefor in this Act, be punishable with imprisonment for a term which may extend to three years, or with fine, or with both:

Provided that where the person is guilty of an offence under section 8, the court shall sentence him to imprisonment for a term which may extend to three years, and may in addition impose a sentence of fine.

(*2*) Any person who fails to comply with any direction made under authority conferred by this Act shall be punishable with imprisonment for a term which may extend to one year, or with fine, or with both.

(*3*) A court convicting any person of an offence punishable under this Act may order that the goods in respect of which the offence has been committed or a specified part thereof shall be forfeited to the Government.

15. *Offences by Corporations.*—(*1*) Where any person, contravening any of the provisions of this Act or of any order or direction made thereunder is a company or other body corporate, every person, who, during the relevant period, was in charge of, and was responsible to the company or other body corporate during that period for the conduct of the business of the establishment in or in relation to which the contravention has taken place, as well as the company or other body corporate, shall be deemed to be guilty of such contravention and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any person so in charge or responsible liable to any punishment provided in this Act, if he proves that the contravention took place without his knowledge or that he exercised all due diligence to prevent such contravention.

(*2*) Notwithstanding anything contained in sub-section (*1*), where any offence under this Act or any order or direction made thereunder has been committed by a company or other body corporate and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or

other officer of the company or other body corporate, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

16. *Powers of search and seizure.*—(*1*) For the purpose of enforcing the provisions of this Act, the Central Government may, by general or special order, authorise any officer not below the rank of an inspector of police—

(*a*) to enter and search any premises, vehicles, vessels or aircraft occupied for the purpose of the business in any goods or where any such goods may be found;

(*b*) to seize any goods in respect of which he has reason to believe that an offence under this Act has been committed and thereafter to take all such measures as may be necessary for securing the production of such goods in Court.

(*2*) If any person obstructs an officer in the exercise of the powers conferred upon him by this section he shall be punishable with imprisonment which may extend to six months, or with fine, or with both.

17. *Procedure.*—No offence punishable under this Act shall be inquired into by any person below the rank of an inspector of police and no prosecution for any such offence shall be instituted except with the previous sanction of the Central Government or of an officer not below the rank of a district magistrate empowered by the Central Government to grant such sanction.

18. *Summary trials.*—(*1*) Notwithstanding anything contained in section 260 of the Code of Criminal Procedure, 1898 (Act V of 1898), a magistrate empowered to act under that section may try any offence punishable under this Act in a summary way under the provisions of Chapter XXII of the said Code, and shall so try any such offence unless he is of opinion that in the event of the offence being proved a sentence which he is empowered under that Chapter to impose would be insufficient.

(*2*) Notwithstanding anything contained in section 362 of the said Code, a presidency magistrate trying an offence punishable under this Act shall not record the evidence or frame a charge unless he is of opinion that in the event of the offence being proved a sentence against which, in accordance with the provisions of sections 404 and 411 of the said Code no appeal lies, would be insufficient:

Provided that, where at any subsequent stage of a trial commenced in accordance with this sub-section, it appears to the presidency magistrate that in the event of the offence being proved such sentence as aforesaid would be insufficient, he shall recall any witnesses who may have been examined and proceed to re-hear the case in the manner provided in the said section 36 for a case in which an appeal lies.

(*3*) Notwithstanding anything contained in section 526 of the said Code no decision of a court to try any offence punishable under this Act otherwise than in the summary manner provided by this section shall be a valid ground on which to make an application under that section.

(*4*) References in this section to the Code of Criminal Procedure, 1898 or to any provision thereof shall, in relation to any Part B State to which this Act extends, be construed as references to the corresponding law or to the corresponding provision thereof in force in that State.

19. *Accounts and information.*—(*1*) The Central Government may direct any dealer or producer to keep such books, accounts and other records in relation to all sale and purchase transactions entered into by him as it thinks necessary.

(*2*) The Central Government may direct a dealer or producer—

(*a*) to produce to, and allow to be examined by, a person specified in this behalf such books, accounts or other documents in the custody or under the control of the person so required as may be specified or described in the direction being documents relating to the transactions or business the examination of which may be required for the purpose of this Act; and

(*b*) to furnish to a person so specified such information as respects the transaction or business as may be required for the purposes of this Act or such other information as may be in his possession in relation to the business carried on by another person.

(*3*) The Central Government may, by notified order, issue to all dealers and producers of a specified class a direction such as is referred to in sub-section (*1*) or in clause (*a*) of sub-section (*2*).

20. *Restriction on disclosure of information.*—(*1*) No information with respect to any particular business which has been obtained under this Act shall, without the consent of the person carrying on that business, be disclosed otherwise than in connection with the execution of this Act:

Provided that nothing in this section shall apply to a disclosure of information made for the purpose of any criminal proceedings which may be taken whether by virtue of this Act or otherwise, or for the purposes of any other law for the time being in force.

(*2*) If any person discloses any information in contravention of the provisions of this section he shall be punishable with imprisonment for a term which may extend to three months, or with fine, or with both.

21. *Power to exempt.*—The Central Government may, by notified order, exempt any person or any goods or class of goods from all or any of the provisions of this Act or of any order made thereunder.

22. *Delegation of powers.*—(*1*) The Central Government may, by notified order, direct that any power exercisable by it under this Act (except the power given to it under section 3, shall, in relation to such matters and subject to such conditions, if any, as may be specified in the direction, be exercisable also by such officer or authority subordinate to the Central Government or by such State Government as may be specified in the direction.

(*2*) Any power exercisable by a State Government by virtue of a direction under sub-section (*1*) may, unless otherwise provided in such direction, be exercised also by such officer or authority subordinate to that State Government as it may, by notified order, specify in this behalf.

23. *Power to issue directions to State Governments.*—The Central Government may give directions to any State Government as to the carrying into execution in the State of any of the provisions of this Act or of any order or direction made thereunder.

24. *Bar of legal proceedings.*—No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Act.

25. *Saving of other laws.*—The provisions of the Act shall be in addition to, and not in derogation of, any other law for the time being in force regulating the keeping, searching, distribution, disposal or price of goods.

26. *Power to make rules.*—(*1*) The Central Government may, by notification in the Official Gazette, make rules for the purpose of carrying out the objects of this Act.

(*2*) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely :—

(*a*) the matters referred to in sub-section (*2*) of section 6;

(*b*) the particulars to be contained in any cash memorandum under section 9;

(*c*) the manner in which prices may be marked on goods and price lists exhibited;

(*d*) the issue of licences under section 13, and the attachment of any conditions thereto and the levying of a fee therefor;

(*e*) any other matter which is to be or may be prescribed.

27. *Repeal of Ordinance XXVI of 1950.*—(*1*) The Supply and Prices of Goods Ordinance, 1950 (XXVI of 1950), is hereby repealed.

(*2*) Notwithstanding such repeal, anything done or any action taken in the exercise of any power conferred by or under the said Ordinance shall be deemed to have been done or taken in the exercise of the powers conferred by or under this Act, as if this Act were in force on the day on which such thing was done or action was taken.

THE SCHEDULE

(*See* section 3)

GOODS TO WHICH THIS ACT APPLIES

1. Non-ferrous metals, including brass (unwrought and semi-manufactured).
2. Bicycles, bicycle parts and accessories.
3. Cycle tyres and tubes.
4. Electric bulbs.
5. Caustic soda.
6. Soda ash.
7. Tanning materials (wattle bark, wattle extract, quebracho).
8. Raw rubber.
9. Casein.
10. Infants foods (Glaxo, Horlicks, Cow and Gate Milk and Ostermilk).